

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

- (1) an ordinance under subsection (c); and**
- (2) an ordinance under IC 6-1.1-12-41(f);**

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection.

SECTION 6. IC 6-3.5-7-26, AS ADDED BY P.L.192-2002(ss), SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 26. (a) This section applies only to homestead credits for property taxes first due and payable after calendar year 2006.

(b) For purposes of this section, "adopting entity" means the entity that:

- (1) adopts an ordinance under IC 6-1.1-12-41(f); or
- (2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and
- (2) must specify that the certified distribution must be used ~~for the purpose to provide for:~~

(A) uniformly applied increased homestead credits as provided in subsection ~~(e)~~ (f); or

(B) allocated increased homestead credits as provided in subsection (h).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.



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(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (g); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the ~~percentage of the~~ homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset the effect on homesteads in the county resulting from the statewide deduction for inventory under IC 6-1.1-12-42.

(f) If the imposing entity specifies the application of uniform increased homestead credits under subsection (c)(2)(A), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

~~(f)~~ **(g)** The increased percentage of homestead credit determined by the county auditor under subsection ~~(e)~~ **(f)** applies uniformly in the county in the calendar year for which the increased percentage is determined.

(h) If the imposing entity specifies the application of allocated increased homestead credits under subsection (c)(2)(B), the county auditor shall, for each calendar year in which an increased homestead credit is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit for the year; and
- (2) an increased percentage of homestead credit for each taxing district in the county that allocates to the taxing district an amount of increased homestead credits that bears the same proportion to the amount determined under subdivision (1) that the amount of inventory assessed value deducted under IC 6-1.1-12-42 in the taxing district for the immediately preceding year's assessment date bears to the total inventory

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assessed value deducted under IC 6-1.1-12-42 in the county for the immediately preceding year's assessment date.

~~(g)~~ **(i)** The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

SECTION 7. IC 14-23-3-3, AS AMENDED BY P.L.1-2002, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. Annually there shall be levied and collected as other state taxes are levied and collected the amount of ~~twenty-two~~ **sixteen** hundredths of one cent (~~\$0.0022~~) (**\$0.0016**) upon each one hundred dollars (\$100) worth of taxable property in Indiana. The money collected resulting from ~~two one hundred sixteen~~ **fifty-seven** thousandths of one cent (~~\$0.00216~~) (**\$0.00157**) of the rate shall be paid into the fund. The money collected resulting from ~~four three~~ thousandths of one cent (~~\$0.00004~~) (**\$0.00003**) is appropriated to the budget agency for purposes of department of local government finance data base management.

SECTION 8. IC 15-1.5-8-1, AS AMENDED BY P.L.198-2001, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A tax is imposed upon all the taxable property in the state at a rate of ~~eleven eight~~ hundredths of a cent (~~\$0.0011~~) (**\$0.0008**) for each one hundred dollars (\$100) of assessed valuation.

SECTION 9. [EFFECTIVE JULY 1, 2003] **(a) The following, all as amended by this act, apply to property taxes first due and payable after December 31, 2003:**

- (1) IC 6-1.1-12-9.**
- (2) IC 6-1.1-12-14.**
- (3) IC 6-1.1-12-17.4.**
- (4) IC 14-23-3-3.**
- (5) IC 15-1.5-8-1.**

(b) This SECTION expires January 1, 2005.

SECTION 10. [EFFECTIVE UPON PASSAGE] **(a) This section applies to certified applications for an enterprise zone inventory credit under IC 6-1.1-20.8 that were filed for property taxes due and payable in 2002.**

(b) Notwithstanding any other law, the county auditor may

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